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Financing of the United Nations Mission of Support in East Timor

Revised budget of the United Nations Mission of Support in East Timor for the period from 1 July 2003 to 30 June 2004

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Secretary-General containing the revised budget of the United Nations Mission of Support in East Timor (UNMISET) for the period from 1 July 2003 to 30 June 2004 (A/58/192) and on the proposed donation of assets of UNMISET to the Government of Timor-Leste (A/58/192/Add.1). During its consideration of the reports, the Committee met with representatives of the Secretary-General who provided additional information.

2. UNMISET was established by the Security Council in its resolution 1410 (2002) of 17 May 2002 for an initial period of 12 months. The mandate of the Mission was subsequently extended by the Council by its resolution 1480 (2003) of 19 May 2003 until 20 May 2004.

3. As indicated in the summary of the revised budget report (A/58/192), the initial proposed budget of UNMISET for the period from 1 July 2003 to 30 June 2004 amounted to $188,229,200 gross, inclusive of budgeted voluntary contributions in kind amounting to $60,000. The initial budget was prepared in accordance with the four-phase downsizing plan of the Mission, as outlined in the report of the Secretary-General to the Security Council dated 17 April 2002 (S/2002/432).

4. By its resolution of 1473 (2003) of 4 April 2003, the Security Council decided that the composition and strength of the police component of UNMISET and the schedule for its downsizing would be adjusted in line with paragraphs 33 and 35 of the special report of the Secretary-General (S/2003/243) and would include an internationally formed unit for one year.

5. In the same resolution, the Security Council also decided that the schedule for the downsizing of the military component of UNMISET for the period to December

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2003 would be adjusted in line with the letter of 28 March 2003 from the Under-Secretary-General for Peacekeeping Operations to the members of the Security Council. Accordingly, two battalions would be retained within the regions adjoining the tactical coordination line during this period, together with associated force elements, including mobility, and the number of military peacekeepers would be reduced to 1,750 more gradually than was foreseen in resolution 1410 (2002).

6. Pending submission of the revised budget, the General Assembly, by its resolution 57/327 of 18 June 2003, appropriated an amount of $193,337,100 gross for the maintenance of the Mission for the period from 1 July 2003 to 30 June 2004, consisting of $185 million gross recommended by the Advisory Committee (A/57/772/Add.11, para. 38) and $8,337,100 for the support account for peacekeeping operations and the United Nations Logistics Base at Brindisi, Italy.

Information on performance for the current period

7. The Advisory Committee was informed that, as at 31 July 2003, a total of $1,852.2 million had been assessed on Member States in respect of the Mission since its inception. Payments received as at that date amounted to $1,710.5 million, leaving an outstanding balance of $141.7 million. As at 15 September 2003, the cash position of the Mission was $68.5 million. As at 19 September, unliquidated obligations for the period from 1 July 2003 to 30 June 2004 amounted to $7.7 million.

8. The Advisory Committee was informed that troop and formed police cost reimbursement up to 30 November 2002 totalled $165,141,600, while the amount owed for the period from 1 December 2002 to 31 August 2003 was $36,633,500. With regard to contingent-owned equipment, the Committee was informed that as at September 2003, an amount of $143,088,100 had been reimbursed and the estimated amount owed was $42,676,000, while unliquidated obligations totalled $50,472,100. In respect of death and disability compensation, $1,167,800 had been paid as at 19 September 2003 for 32 claims; 19 claims were pending, and unliquidated obligations amounted to $3,186,900.

9. The Advisory Committee was informed that the vacancy rate as at 31 August 2003 was 10 per cent for military observers, 12 per cent for military contingents, 40 per cent for civilian police, 9 per cent for international staff and 2 per cent for United Nations Volunteers. In the case of national staff, the number of incumbents exceeded authorized posts by 25 per cent.

Revised budget for the period from 1 July 2003 to 30 June 2004

10. The revised cost estimates for the period from 1 July 2003 to 30 June 2004 amount to $208,827,500 gross ($202,273,200 net), reflecting an increase in resources of $23,827,500 gross ($23,287,600 net), or 12.9 per cent gross (13.0 per cent net) over the initial apportionment (A/58/192, summary, table).

11. The revised budget incorporates additional requirements owing to the slower drawdown of the Mission in accordance with Security Council resolution 1473 (2003). It provides for the deployment of a maximum of 95 military observers,

3,405 military contingent personnel, 550 civilian police and 125 civilian police formed units.

12. The revised estimates also provide for a maximum of 1,327 posts (399 international staff and 928 local staff), as well as 209 United Nations Volunteers, reflecting the retention of 207 posts and 9 United Nations Volunteer positions compared with the approved post projection of 1,120 (388 international staff and 732 national staff) and 200 United Nations Volunteers.

Proposed donation of assets to the Government of Timor-Leste

13. The Advisory Committee notes that UNMISET has identified assets with an inventory value of $35,262,900 (and a corresponding residue value of $15,879,900) (A/58/192/Add.1, para. 2) for donation to the host Government on a free-of-charge basis.

14. The assets proposed for donation to the Government of Timor-Leste include communication, information technology and office equipment; vehicular equipment; prefabricated buildings; miscellaneous equipment; generators; petrol, water and septic tanks; accommodation, refrigeration and medical equipment; and weapons (ibid., para. 5).

15. The Advisory Committee was informed that in developing its asset disposal strategy, UNMISET worked closely with an inter-ministerial donation committee, appointed by the Prime Minister to consider the suitability and viability of the donation proposals and to coordinate bids from relevant departments.

16. The Advisory Committee notes that the selection of assets proposed for donation has been guided by the principles endorsed by the General Assembly in section VII of its resolution 49/233 A of 23 December 1994 and is based on the determination that those assets are neither required nor suitable for transfer to other missions or for temporary storage at the United Nations Logistics Base (ibid., para. 3).

17. The Advisory Committee was informed that the list of assets indicated in the report represented the maximum amount of assets to be donated to Timor-Leste. The Committee was also informed that the proposed donation was based on the assumption that the mandate of the Mission would terminate on 20 May 2004. **The Committee expects that should there be a continued United Nations presence, UNMISET would adjust its disposal strategy to take into account any support requirements that the new entity might have.**

18. With regard to weapons, the Advisory Committee notes that a precondition of the donation of such items would be an assurance by the Government of Timor-Leste that the donated items would be used only for training purposes and would remain with the National Police College until their destruction (ibid., para. 5). **The Committee requests that the legal instrument to be entered into between the United Nations and the Government of Timor-Leste specifically govern the conditions relating to the use and final disposal of weapons.**

Recommendations of the Advisory Committee

19. The actions to be taken by the General Assembly in connection with the financing of UNMISET for the period from 1 July 2003 to 30 June 2004 are indicated in paragraph 31 of the revised budget proposal (A/58/192). **The Advisory Committee recommends that the Assembly appropriate the additional amount of $23,827,500 gross for the maintenance of the Mission for the 12-month period from 1 July 2003 to 30 June 2004 and that the amount be assessed at a monthly rate of $1,985,625 should the Security Council decide to continue the mandate of the Mission.**

20. The action to be taken by the General Assembly at its fifty-eighth session in connection with the donation of assets of UNMISET to the Government of Timor-Leste is indicated in paragraph 6 of document A/58/192/Add.1. **Bearing in mind its comments in paragraph 16 above and subject to its comments in paragraphs 17 and 18 above, the Advisory Committee recommends that the Assembly approve the donation of assets with an inventory value of $35,262,900 and a corresponding residual value of $15,879,900 to the Government of Timor-Leste on a free-of-charge basis.**